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Fundraising Summit
Introduction to Major Gifts
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Major Gift Essentials

Major Gifts Defined

- Creating a “big gift” or “major gift” program as part of your institution’s culture of philanthropy is an imperative if your fundraising program is to grow and thrive
- The dollar value of the terms “big gift” or “major gift” varies relative to the size and maturity of the institution, its fundraising requirements and the maturity of its advancement (fundraising) program
- The donor determines what he or she considers a major gift, and this will vary and change based upon economic circumstances, the length and dept of the relationship with philanthropy and their experience with your organization
- Major gifts can be solicited for current, capital or long term (endowment) purposes and may come from your donors’ income, accumulated assets or from their estate during or at the end of life
- Major gifts can be **transformational and are almost always values based** – promoting a new value or expanding and deepening values held by the donor and the cause
- Major gift programs, which should include planned giving, provides the best ROI of all fundraising methods and is consequently the most rewarding
- Building relationships with your donors is the proven path to creating a lasting major gift program.

Milking Cows & Major Gifts

- Cows don’t respond to telephone calls, email messages or Web 2.0 marketing
- Getting up close, touching and working with the cow is the only way to get milk – even when a milking machine is used, someone must get close and work with the cow
- All fundraising – and especially major gift work – is about building relationships and then deepening them over time
- Relationships are built up close and through many touches.

Institutional Readiness for Major Gifts

Major Gift Commitment

- More than any other fundraising program, mature major gift programs require institutional commitment, budgeting and consistency of effort for a minimum of three years to achieve fruitfulness
- Readiness cannot be achieved without an all-pervasive organizational commitment to develop and maintain the major gifts program
- This commitment must come from the top including especially the board of directors and the chief executive, and may not be “assigned” to the fundraising office as if major gift development is an alchemy experiment
- Fundraising staff members must make a strong internal case for the major gift program and should expect “push-back” from the often inexperienced, anxious and un-invested among leadership (“Oh my, I’ll be expected to give meaningfully, and ask others to do so. Yikes and no!”)
- A skilled and experienced fundraising officer should be charged with planning, organizing and orchestrating the major gift program but she or he is no substitute for the hands-on and diligent involvement of board members and the chief executive as well
- Donors often make donations through fundraising staff members but in truth, donors entrust their gifts to those who govern the organization – board members and the CEO – to utilize well and thoughtfully steward their support.

The Case and Institutional Readiness

- Major gift work presupposes a strong case for support that demonstrates the organization’s values and how major gifts will benefit the community
- An institution’s inspiring vision of a better community fuels the case and the fundraising effort
- The service impact and proven ability of the organization and its leadership to stretch, and achieve measurable goals will sustain major gift efforts.

The Major Gift Plan

- Before the major gift plan can hope to be successful, it must have
 - Agreed to objectives
 - Dollar goals and
 - A deadline (with intermediate check points)
- The plan itself must be based upon the organization’s reality
 - Its history of performance
 - The strength and size of its donor pool, and current levels of support
 - The willingness of leadership to engage, cultivate, solicit and steward major donors – including especially their friends, colleagues and family members is essential, thus no historic giving pattern or donor base is a substitute for leadership commitment.

Assessing Capacity for Major Gifts

- The 80-20 Rule for Gift Prospects: what does it mean for your major gift program?
- People, foundations and businesses: put your efforts into people first that's where the best rewards will be found (Why did Willy Sutton rob banks? Because that's the money is.)
- Study our organization's donor pyramid: use it to assess capacity for annual, capital and endowment purposes
- Meet with and survey your best donors to learn about their willingness and capacity to make larger and larger gifts
- Learn from your donors too the obstacles they believe your program will need to overcome
- Leadership gifts from board members and executive staff members (and fundraising staff members) should be secured before fundraising goals are finally set and before anyone else is asked for their commitment
- Prospect review sessions with board members and other top supporters of the cause are an essential check point for internal staff reviews
- Start asking; assess results and; adjust your approach to prospects, your gift goals and timelines.

Major Gift Volunteers

- Executive staff members won't support and board members won't approve budget appropriations for your major gift program until they see the potential ROI, timeline and other rewards – make sure your proposal is realistic and supportable
- Volunteers must be asked to participate personally, even if they are board and executive staff members and should be expected to step up
- Board and executive staff members also need to “feel” the value of their participation as donors and solicitors and not simply be told it “comes with the job”
- Volunteers, and gift prospects too, want to understand the “investment” opportunity and much less interested in your organization's needs
- Your top donors form a potential pool for major gift volunteers – ask them to take a hands-on role.

Volunteer Training for Major Gifts

- Volunteers require training, this is especially true for your board members who should always be prepared to start the cultivation, relationship building and solicitation cycle with their friends, family and colleagues
- Major gift training – formal group sessions, supported by appropriate campaign materials, and refresher tips during the campaign seem to work best
- A re-orientation session for “veterans” that is based upon prior training may also be required in order to show respect the time of your most faithful volunteers
- No solicitor should receive prospects until he or she has received formal training and only after she or he has made a personal gift commitment to the campaign

- Teach volunteers to
 - Tell their own story of involvement with the cause
 - Reduce their appeal to a stories about the opportunities to address a community need
 - Ask clearly for a commitment
 - Be persistent but not pushy and remember that a prospect's objection is an indication that they are considering their support
- Elements of a powerful fundraising story:
 - Tell about the origin and mission of the cause or institution – what problems or issues was it created to address?
 - What is the organization's vision for an improved community that will be brought about through the donor's commitment?
 - What is the impact of the organization's work and how will the donor's gift help address the societal issue?

Major Gifts & the Fundraising Cycle

How it Really Works

- Regardless of whether for annual, capital or endowment purposes, your major gift program must adhere to at least a simple form of the fundraising cycle like the one below:
 - Prospect identification and appropriate research and prospect to review sessions
 - Assignment of prospects for cultivation and other touches that will build the relationship that leads to receptivity
 - Touch and ask and keep in touch regardless of the initial response
 - Receive and acknowledge commitments further building the relationship
 - Steward the gift and find ways stay in touch between campaigns
 - Reassess the prospect for future cultivation and assignment, and keep touching – there are many ways for you to leverage and build the relationship
- Once prospects are assigned, schedule and hold “progress and report” sessions (“Deadlines make money.”)
- Create “catch your breath” periods every two to three months within longer campaigns so that volunteers may stand-down; staff can catch up with paperwork and update prospect records, and everyone can assess progress and adjust plans, and then renew the effort
- Remember: Regardless of your plans and neat timelines, once engaged in the cultivation and solicitation process, the donor will set his or her own schedule – respect and work with it
- Renew the cycle – consistency of effort over time pays the biggest dividends

Other Thoughts

Major Gift Wisdom for Your Consideration

- Donors give from their imperative to participate with others in a meaningful cause, not to meet your organization's needs.
- Unless you engage your prospect and understand her or his requirements and imperatives you are not truly moving toward that major gift.
- Creating of a sustainable major gift program in response to an organizational crisis just won't happen.
- Without an "up to their eye-balls" commitment from organizational leadership, a major gift future is impossible.
- Donor research consistently shows that tax considerations inform when donors give, and what (assets) they give but seldom is prime motivating reason that leads to a gift.
- "People don't give to causes, they give to people with cause," is the wisdom of the ages and ever so true.
- Your best donor prospect today is a person who gave to your cause yesterday!
- More than 85% of the all the money given in the USA comes from individuals during their lives or through their estate plans.
- Foundations and businesses combined contributed less than 15% of the total philanthropy annually.
- The number one reason people don't give? They are not asked!
- The number one reason people give? They are asked by a motivated and informed volunteer who has made his or her own gift, and who brings to the prospect a "grade A" opportunity to invest in their community, according to an oft sighted article written by John D. Rockefeller, Jr.
- Have fun!